

INTRODUCED _____
PUBLIC HEARING _____
COUNCIL ACTION _____
EXECUTIVE ACTION _____
EFFECTIVE DATE _____

**County Council of
Howard County, Maryland**

2008 Legislative Session

Legislative Day No. 10

Resolution No. 80-2008

Introduced by: The Chairperson at the request of the County Executive

A RESOLUTION providing for the declaration of official intent pursuant to Treasury Regulation Section 1.150-2 in connection with the issuance and sale by the County of one or more series of its revenue bonds in an amount not to exceed \$2,500,000 for the purpose of financing certain capital expenditures by the Howard County Housing Commission in connection with renovations and repairs to the Colt's Crossing public housing complex.

By the Council, _____, 2008

Introduced and read first time.

By Order, _____
Sheila M. Tolliver,
Administrator

ADOPTED:

By the Council, _____, 2008

Certified, _____
Sheila M. Tolliver,
Administrator

APPROVED: _____, 2008

Ken Ulman,
County Executive

NOTE: ~~Strike-out~~ indicates material deleted by amendment; Underlining indicates material added by amendment.

1 **Recitals**

2 The Maryland Economic Development Revenue Bond Act, Sections ~~14-101 to~~
3 ~~14-109~~ 12-101 to 12-118, inclusive, of ~~Article 41~~ the Economic Development Article of
4 the Annotated Code of Maryland (the "Act"), provides that in order to accomplish the
5 legislative policy of the Act, in addition to whatever other powers it may have and
6 notwithstanding any limitation of law, any public body (as defined in the Act) may issue
7 and sell its bonds (as defined in the Act), as its limited obligations and not upon its faith
8 and credit or pledge of its taxing power, at any time and from time to time, for the
9 purposes of financing ~~or refinancing~~ any costs of the ~~acquisition~~ improvement (as defined
10 in the Act) of one or more facilities (as defined in the Act) for one or more facility users
11 (as defined in the Act) or of refunding outstanding bonds, including the ~~necessary~~
12 ~~expenses~~ costs of preparing, printing, selling, and issuing those bonds, the funding of
13 reserves, and the payment of interest with respect to financing such ~~acquisition~~
14 improvement in such amounts, ~~or~~ and for such period, as the public body deems
15 reasonable.

16 The General Assembly of the State of Maryland (the "State"), in the Act, declares
17 its legislative purpose to:

- 18 (1) relieve conditions of unemployment in the State;
- 19 (2) encourage the increase of industry and commerce and a balanced
20 economy in the State;
- 21 (3) assist in the retention of existing industry and commerce and in the
22 attraction of new industry and commerce in the State through, among other things, port
23 development and the control, reduction, or abatement of pollution of the environment and
24 the utilization and disposal of wastes;

- 1 (4) promote economic development;
- 2 (5) protect natural resources and encourage resource recovery; and
- 3 (6) generally promote the health, welfare, and safety of the residents of
- 4 ~~each of the counties and municipalities of the State.~~

5 The Act provides that a public body may accomplish the acquisition or
6 improvement of one or more facilities from the proceeds of the sale of its bonds by one or
7 more of the following methods:

- 8 (1) by leasing them to one or more facility users under a lease ~~(as~~
9 ~~defined in the Act);~~
- 10 (2) by selling them to one or more facility users under a an installment
11 sale agreement ~~(as defined in the Act);~~
- 12 (3) by lending proceeds of the sale of bonds to one or more facility
13 users ~~under a loan agreement (as defined in the Act)~~ to be used to finance ~~or refinance~~
14 one or more facilities; or
- 15 (4) in such other manner as the ~~County~~ public body deems appropriate
16 to accomplish the purposes of the Act.

17 The Act provides that to implement the authority conferred upon it by the Act to
18 issue bonds, the legislative body of any county ~~(as defined in the Act)~~ or municipality ~~(as~~
19 ~~defined in the Act)~~, or the board of directors of any authority (as defined in the Act), or
20 the Maryland Industrial Development Financing Authority, may adopt a resolution
21 pursuant to which it shall:

- 22 (1) specify and describe the facility or facilities;
- 23 (2) generally describe the public purpose to be served and the
24 financing or refinancing transaction to be accomplished under the Act;
- 25 (3) specify the maximum principal amount of the bonds that may be
26 issued; and

1 (4) impose any terms or conditions on the issuance and sale of the
2 bonds it deems appropriate.

3 The Act provides that the legislative body of any county or municipality, or the
4 board of directors of any authority, or the Maryland Industrial Development Financing
5 Authority, by resolution may itself specify and prescribe, or may authorize:

6 ~~_____ (1) its finance board (as defined in the Act), by resolution; or~~
7 ~~_____ (2) its chief executive officer (as defined in the Act), by executive~~
8 ~~order or otherwise; or (3) any other appropriate administrative officer, by order or~~
9 ~~otherwise with the approval of its chief executive officer, its designee to specify,~~
10 prescribe, determine, provide for or approve such matters, details, forms, documents, or
11 procedures ~~as the legislative body or board of directors deems appropriate that relate~~
12 the authorization, sale, security, issuance, delivery or payment of or for the bonds,
13 including, without limitation, creation of security for the bonds and provision for the
14 administration of bond issues such as trust or other agreements with banks or trust
15 companies regarding any countersignature or delivery of bonds or security for bonds.

16 The U.S. Treasury Department issued Treasury Regulation §1.150-2 governing
17 the use of the proceeds of tax-exempt bonds or other obligations for the purpose of
18 reimbursing expenditures paid prior to the issuance of such bonds or obligations and
19 requiring, among other things, the declaration of an official intent to reimburse.

20 The Howard County Housing Commission (the "Commission") proposes to make
21 certain capital expenditures in connection with renovations and repairs to the Colt's
22 Crossing public housing complex in Ellicott City, Maryland (the "Project"), on behalf of
23 itself or a limited liability company or other entity which will own the Project.

24 The Commission intends to request Howard County, Maryland (the "County") to
25 issue tax-exempt bonds (the "Bonds") and to loan the proceeds of the Bonds to the
26 Commission or a limited liability company or other entity that will own the Project to
27 finance all or a portion of the costs of renovation and repair of the Project, costs of related

1 construction and improvements and issuance costs of the Bonds, all constituting capital
2 expenditures (collectively referred to as the "Project Costs").

3 The County reasonably expects that all or a portion of the Project Costs will be
4 paid by the Commission prior to the issuance of the Bonds and that certain proceeds of
5 the Bonds will be used to reimburse the Commission for the Project Costs paid by the
6 Commission prior to the issuance of the Bonds.

7 The County intends that the adoption of this Resolution shall be and constitute an
8 "official intent resolution" within the meaning of Section 1.150-2 of the Income Tax
9 Regulations prescribed by the U.S. Treasury Department.

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11
12 **Now, therefore, in accordance with the Act:**

13 **Section 1. Be it resolved by the County Council of Howard County,**
14 **Maryland,** That the words and terms used in this Resolution (including the Recitals set
15 forth above) that are defined in the Act shall have the meanings indicated in the Act,
16 unless the context clearly requires a contrary meaning.

17 **Section 2. Be it resolved by the County Council of Howard County,**
18 **Maryland,** that the County reasonably expects that all or a portion of the Project Costs
19 will be paid by the Commission prior to the issuance of the Bonds by the Issuer and that
20 certain proceeds of the Bonds will be used to reimburse the Commission for those Project
21 Costs incurred and paid by the Commission prior to the issuance of the Bonds to be
22 issued by the Issuer. The Bonds will be issued in a total principal amount not to exceed
23 \$2,500,000.

24 **Section 3. And be it further resolved by the County Council of Howard**
25 **County, Maryland,** that the County intends that the adoption of this Resolution shall be
26 and constitute an "official intent resolution" within the meaning of Section 1.150-2 of the
27 Income Tax Regulations prescribed by the U.S. Treasury Department.

1 **Section 4. And be it further resolved by the County Council of Howard**
2 **County, Maryland,** That the provisions of this Resolution are severable, and if any
3 provision, sentence, clause, section or part hereof is held to be illegal, invalid or
4 unconstitutional or inapplicable to any person or circumstances, such illegality, invalidity
5 or unconstitutionality, or inapplicability shall not affect or impair any of the remaining
6 provisions, sentences, clauses, sections, or parts of this Resolution or their application to
7 other persons or circumstances. It is hereby declared to be the legislative intent that this
8 Resolution would have been passed if such illegal, invalid or unconstitutional provision,
9 sentence, clause, section or part had not been included herein, and if the person or
10 circumstances to which this Resolution or any part hereof are inapplicable had been
11 specifically exempted therefrom.

12 **Section 5. And be it further resolved by the County Council of Howard**
13 **County, Maryland,** That this Resolution shall take effect on the date of its approval by
14 the County Executive.
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